

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6189

BILL NUMBER: HB 1092

NOTE PREPARED: Mar 13, 2012

BILL AMENDED: Mar 8, 2012

SUBJECT: Johnson Superior Court and Wabash City Court.

FIRST AUTHOR: Rep. Burton

FIRST SPONSOR: Sen. Bray

BILL STATUS: Enrolled

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- A. Johnson Superior Court #4 – It adds a fourth judge to the Johnson Superior Court as of January 1, 2015. It prohibits the Auditor of State from paying the part of the total salary and benefits that would otherwise be paid by the state for the fourth judge of the Johnson Superior Court until the Auditor of State receives a resolution of the board of county commissioners of Johnson County that sets forth the board's determination that a building in existence on January 1, 2012, has been rehabilitated and is ready as a place for the new court to hold sessions.
- B. Wabash City Court – It provides that the Wabash City Court has concurrent jurisdiction with the Wabash Circuit Court in civil cases in which the amount in controversy does not exceed \$1,500.

Effective Date: July 1, 2012.

Explanation of State Expenditures: Johnson Superior Court #4 – While the court would be created on January 1, 2015, the state would not begin paying the salary of the judge until the Board of Johnson County Commissioners informs the Auditor of the State that a building exists to house the new court. Additional state expenditures are estimated to be \$83,055 beginning in FY 2015 and increasing to \$166,109 for each subsequent year, depending on salary increases. It is assumed that the court building will be available on January 1, 2015. (See *Explanation of Local Expenditures*.)

Johnson Superior Court #4					
Effective Date	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
1-Jan-2015			\$83,055	\$166,109	\$166,109

Background Information-

The salaries of circuit and superior court judges can be adjusted each year by one of two methods:

- The General Assembly can increase the amount specified in statute.
- If the General Assembly does not increase the salary of judges by a nominal amount, then under IC 33-38-5-8.1, salaries of judicial officers can be adjusted by the amount that executive staff salaries in the same salary level are increased and the Chief Justice of the Indiana Supreme Court approves the increase.

State expenditures associated with this new judge also depend on the costs of fringe benefits for state employees. While most of the benefits are based on a percentage of the salaries of the employee, the costs of medical insurance for the persons filing these new positions will depend on future decisions of the executive branch. The extent to which the state would pass along any increase in health insurance costs to employees is unknown.

The following table shows estimates of the total compensation (base salary and fringe benefits) of judges in November 2011. Future salary increases will depend on legislative or administrative actions (see IC 33-38-5-8.1).

Salaries and Benefits for Judges (FY 2011)	
<u>Benefits</u>	<u>Judges</u>
Salary	\$127,280
Life Insurance	\$362
Indiana Judicial Conference	\$1,000
Social Security	\$9,737
Retirement	\$11,837
Disability Insurance	\$2,902
Health, Dental, and Vision (blended rate)	\$12,991
Total Cost Per Judicial Officer	<u>\$166,109</u>

Explanation of State Revenues: *Wabash City Court* – Under current law, the limit on civil cases in Wabash City Court is \$500. This provision would increase the limit to \$1,500 for civil cases other than slander, libel, mortgage foreclosure, and estate cases. For every case filed in the Wabash City Court rather than in either the Wabash Circuit or Superior Court, the state General Fund would receive \$18 less in filing fees. The filing fee for a civil case is \$120. For each case filed in a trial court, the state General Fund receives 70% of the fee. If the case is filed in a city or town court, the state receives 55%.

The following table shows the revenue distribution based on whether the case is filed in either a trial court or a city or town court.

Revenue Distribution from \$120 Filing Fee By Type of Court			
	State Share	County Share	Municipal Share
Trial Court	\$84.00	\$32.40	\$3.60
Wabash City Court	\$66.00	\$24.00	\$30.00
Difference	(\$18.00)	(\$8.40)	\$26.40

Background -- The Wabash City Court reported 481 civil collections in CY 2010, while both circuit and superior courts in Wabash County reported 509 petitions for civil collections in CY 2010.

Explanation of Local Expenditures: Johnson Superior Court #4 – Johnson County reports that space in a court annex is available for a new court, but the county probation offices and other court services that currently are housed in the annex must first be moved to a former bank building. Once staff is moved, the annex can be remodeled to accommodate the actual court, jury rooms, and office space for the judge and staff.

After the actual court space is ready, the Johnson County Commissioners would be required to issue a resolution to the Auditor of State that the building that would house the court is available. Johnson County court officials anticipate that the remodeling would take 12 to 16 months to complete the entire project.

Johnson County would also need to hire additional support staff for this new court.

Explanation of Local Revenues: *Wabash City Court* – For each case filed in the Wabash City Court, Wabash County would lose \$8.40 and the city of Wabash would gain \$26.40. (See *Explanation of State Revenues*.)

State Agencies Affected: Division of State Court Administration; Indiana Judicial Conference.

Local Agencies Affected: Johnson County; Wabash City Court.

Information Sources: Division of State Court Administration.

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